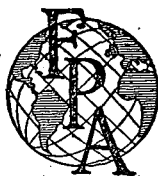


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FOREIGN POLICY BULLETIN

An interpretation of current international events by the Research Staff of the Foreign Policy Association

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ALLIES TIGHTEN ECONOMIC CONTROLS IN GERMANY

BERLIN—As the autumn fogs close in on defeated and ravaged Germany, three things stand out most strikingly in Berlin. First, a profound revolution, which was already long overdue in 1919, is now being systematically effected, not by the Germans themselves but, in a manner without precedent in history, by the four occupying powers. Second, this endeavor to alter Germany's political, economic, and social structure, so that it cannot in the foreseeable future wage a war of aggression, has brought Russia and the Western powers into closer contact with each other than ever before except, possibly, under somewhat comparable circumstances, during the Napoleonic wars. And, third, the need for achieving Allied cooperation in the treatment of Germany has led to the creation of coherent and promising machinery of international administration, machinery that grew out of

the patient, constructive and too little publicized work of the European Advisory Commission.

BERLIN IN DEFEAT. Berlin has thus become the scene both of a four-power attempt to revolutionize internal conditions in Germany and of a bold

and challenging effort by the occupying powers to devise workable international organization. This grim city is today a shambles like most of Germany's other cities. The gaunt skeletons of the Reichstag and the Chancellery dominate scenes of destruction so complete that it is impossible to identify landmarks in the former business and fashion centers of Berlin. Shabbily dressed people, at last aroused to the stark reality that no coal will be available for the heating of homes this winter, haul handcarts loaded with firewood; and amid the blackened tree stumps of the Tiergarten, Germans barter everything

President Commends Work of F.P.A.

WASHINGTON

October 13, 1945

Dear General McCoy:

I am very sorry indeed that I cannot attend the forum of the Foreign Policy Association to speak to your members in person. The fine work your organization has been doing has my complete support. There is, in my opinion, no more urgent task before us at this time than the building of an informed public opinion on the problems of foreign policy. Without a firm foundation of public understanding the United States cannot fulfill its responsibilities or exercise the leadership which our position as a great democracy demands of us.

The American people are embarking on a new course of full participation in international affairs, full cooperation in the solution of the problems of peace. Not only our humanitarian impulses, but considerations of self-interest dictate this foreign policy. We are aware, and we shall become increasingly aware that the road we have taken is hard. The way of cooperation is laborious, and often discouraging. It will demand of all of us great patience, and more than that, a much clearer understanding than we have ever had of the problems of other peoples.

Unless we exercise this patience and attain this understanding, there will be widespread disillusionment and loss of faith in the possibility of an expanding international collaboration. Such a development would jeopardize the future security and well-being of the American people. Therefore I urge the Foreign Policy Association and other public spirited citizen groups to redouble their efforts at public education in the field of international relations.

Your government welcomes this cooperation, and will do its utmost to make available the facts and interpretation of policy on which an intelligent public opinion must be based.

Very sincerely yours,

Harry S. Truman

Major General Frank Ross McCoy,
President, Foreign Policy Association,
New York 16, New York

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from bicycles to girdles for bread and cigarettes in the open-air black market.

With textbooks purged of Nazi concepts, elementary schools, attended by children from six to fourteen, have been reopened under the supervision of the Allies, who have also striven to denazify the teaching staffs and have furnished the schools with coal, window glass, and tiles to render them habitable in the winter. Higher schools are to be reopened as soon as books and denazified faculties become available. The four occupying powers are making a determined effort to provide the minimum rations of 1,500 calories, but the rate of tuberculosis is rising dangerously. Typhoid and paratyphoid cases also remain high, and hospitals, suffering from a shortage of doctors, are filled to capacity.

Political parties, early permitted by the Russians, are reviving in all four zones, but the workers are more interested in the reorganization of trade unions than political parties. An all-Berlin trade union conference, which is to be held shortly with the approval of the Allies, may set an interesting precedent for the rest of Germany with respect to methods of elections and procedure of operation. The voices of men long silenced by Hitler are being heard again in the six Russian-licensed and Russian-censored newspapers, two of them published by Communists in the Berlin district administered by the U.S.S.R., and in *Der Tagespiegel*, the first German newspaper licensed by the United States in its area of the capital. But it is still difficult to discover what the Germans think. Many of them show a servility that is the reverse side of brutality, and equally horrible; others are arrogantly convinced that Germany's defeat was just a matter of bad luck.

A NON-NAZI ECONOMY? In appraising the results thus far accomplished by the four Allies, and especially by the United States, it is essential to bear in mind that the Allied military and civilian authorities have been directed to carry out the policies agreed on at Potsdam. It is within the framework of these policies that their work must be judged. Many of the criticisms made of the Allied Control Council, on which the four occupying powers are represented, tend to be mutually contradictory. The Allies are accused of being too slow or too mild in effecting denazification and, at the same time, of being slothful in promoting the economic recovery of Germany. They are criticized for their delay in deindustrializing the Reich, and at the same time for not permitting German industries to produce in sufficient quantities the coal and manufactured goods which the Reich used to sell to its neighbors and which these neighbors admittedly need more urgently than ever. These conflicting objectives cannot be attained simultaneously by any Allied authority, however vigilant, conscientious and firm.

Denazification, first applied to government organs, is now being pressed in schools, business enterprises and financial institutions, and the United States has been far more vigorous than the other Allies (except Russia which, in the early days of the occupation, swiftly removed many top Nazis) in ousting Nazis, depriving them of economic power and forcing them to seek their livelihood at menial tasks. But denazification has meant—and this is a matter of concern to some American officials—that the economic recovery in the United States zone has been retarded until adequate personnel could be found or trained to replace the ousted Nazis. The situation is said to be considerably better in this respect in the French and British zones, where the authorities have not hesitated to use Nazis when this seemed desirable from the point of view of maintaining production, sometimes hiring Nazis purged by the United States. And even the Russians have employed technicians known to have had Nazi sympathies. Industrial recovery in the United States zone has been slow. As of September, plants operating there represented about 15 per cent of the industrial establishments and, in terms of output, were producing not more than 5 per cent of capacity.

But even if the Allies wanted to rebuild German economy, irrespective of Nazism, and were ready to risk the industrial resurgence of Germany to assure adequate supplies of goods for the rest of Europe in the form of reparations or exports, they would be unable to do so in the visible future. The reasons for this are that many German factories have been destroyed or damaged. Raw materials are not available, and there is a lack of skilled manpower for certain key enterprises, notably coal mines, nearly 60 per cent of whose workers at the close of the war were war prisoners or forced laborers.

U.S. WILL FULFILL POTSDAM. The inventory of Germany's economic assets, which must precede any reasoned steps to fulfill the Potsdam stipulation that the country's standard of living should not exceed that of its neighbors (exclusive of Britain and Russia), is still in the process of being taken in all four zones. Once such an inventory has been completed and accepted by the four Allies, the process of earmarking factories for destruction or shipment to various of the United Nations as reparations should gain momentum. February 1946 has been set as the deadline for completion of the reparations bill, and American officials here are determined to fulfill the Potsdam economic program, which most of them consider feasible even after the cession of Germany's principal agricultural areas to Poland and Russia. This program would reduce Germany to a country producing primarily food and consumers' goods and exporting just enough of certain raw materials, notably coal and potash, to im-

port urgently needed products, such as foodstuffs and phosphates from North Africa.

Under this program, Germany would be shorn of the heavy industries necessary for modern warfare. If neighboring countries want security against German aggression through deindustrialization of the Reich they cannot, at the same time, complain of their inability to obtain the products of heavy industry from Germany and must find other sources, either through their own production or by imports from other countries. When the Germans complain that the economic terms of Potsdam will drastically reduce their standard of living (to a level estimated by American experts as the depression level of 1932 just before Hitler's rise to power), the Russians and others answer that the war was not fought to make the Germans comfortable. The extent to which the Potsdam program, which is revolutionizing Germany's political, economic and social life, can in practice be carried out will depend on the attitude of the Germans, as well as on the degree of cooperation achieved by the Allies.

VERA MICHELES DEAN

(The first in a series of articles on Germany.)

FOURTH REPUBLIC WINS IN FRANCE

Now that the results of the French general elections, held on October 21, have been tabulated, certain facts about the political mood in which France is undertaking its enormous tasks of national reconstruction are clearly discernible. By registering an overwhelming vote for a new constitution to replace that of the Third Republic, and by routing not only the Right-wing factions but the Radical Socialists—dominant party of the conservative middle class for nearly 50 years—the French have turned their backs on the political institutions and leaders associated with the defeatism that led to Munich and Vichy. The very size of the vote seems to underline this widespread determination to wipe clean the political slate and to start afresh, for no less than 82 per cent of the registered voters went to the polls.

Since French voters gave 435 of the 586 seats in the new Assembly to the Communists, Socialists and Popular Republican Movement (MRP)—the three parties which have at least subscribed to a socialist program—it is clear that the Fourth Republic will continue the marked Leftward swing that has become the standard political trend throughout post-war Europe, from Britain eastward across the continent. But what the precise character of this new Leftist régime in France will be remains to be seen.

NEW DIVIDING LINE APPEARS. Already it is clear that the new dividing line in French politics will be drawn not between the Right and the Left, but between the Communists and the democratic Left. The strongest single source of opposition to the Communists will undoubtedly come from the MRP, a new, predominantly Catholic party, which grew up during the resistance among liberals and former supporters of the Right who detested collaboration but were at the same time unwilling to embrace what they considered the materialistic and extremist goals of the Socialists and Communists. To be sure, the MRP will have only 142 seats in the new Assembly to be convoked on November 6, as compared with 151 for the Communists—who are now the largest party in France—and 142 for the Socialists. The MRP, nevertheless, will serve as a strong reminder that there remains in France today a large group of people who insist on combining nationalization of certain key industries with individualistic patterns of life based on private property.

Since the balance of power between the Communists and MRP is held by the Socialists, the extent to which the French economy is nationalized will depend largely on the outcome of the current struggle within the ranks of the Socialist party—between those who favor cooperation with the Communists and those who prefer to work with the MRP. The Socialists are also in a position to take a decisive stand on the important constitutional question of the proper relation of the executive to the legislature, since the Communists call for an all-powerful single chamber and a weak president, while the MRP demands a stronger executive and limitations on the chamber's powers to overthrow the cabinet. In the realm of foreign policy, it appears that the Socialists will join the MRP against the Communists, for both of the more moderate parties favor a pact with Britain and arrangements that would draw the western European nations more closely together, while the Communists strongly oppose these measures.

To assert that these differences are not sharp and deep would cast a false light on France today. It would be equally untrue, however, to conclude that they constitute an insuperable obstacle on the road to reconstruction, for all three major parties have not only agreed that General de Gaulle shall be elected President by the new Assembly, but have indicated their willingness to form a coalition government during the next seven months while a constitution is being framed.

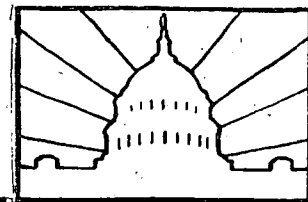
WINIFRED N. HADSEL

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Washington News Letter



U.S. WAVERS BETWEEN WORLD POLICY AND NATIONALIST AIMS

At a time when the United States, more than at any period in the past, needs decisiveness of conception and action in foreign affairs, it appears dangerously irresolute and beset by contradictions. In the three months since the Senate formally departed from our historic isolationism by approving the United Nations charter, the United States has been groping for policies that would make our internationalist position effective. But neither President Truman, Secretary of State Byrnes, nor Congress has been able to evolve such policies. In the absence of decision United States policy wavers, principally because the Administration is in the dark about the Soviet Union's intentions. This uncertainty has resulted in our insisting on American participation in the affairs of the Balkan and eastern European states while objecting to Soviet participation in Japanese affairs. The Administration has sought a voice in the Dardanelles but would certainly oppose Soviet interest in the Panama Canal. At Potsdam the United States agreed to the military occupation of Korea by partition between the United States and the Soviet Union, and now objects to this partition.

The 12-point program which President Truman outlined for the United States in New York on October 27 prescribed irreconcilable policies of cooperation and individual action. He reaffirmed his belief that "the preservation of peace between nations requires a United Nations Organization composed of all the peace-loving nations of the world who are willing jointly to use force if necessary to insure peace." Yet at the same time he stressed his determination that the United States decide unilaterally whether governments abroad are established according to the wishes of the people. He closed the Western Hemisphere politically to Eastern Hemisphere interests, and reiterated his intention to keep the atomic bomb the private property of the United States.

THE PRESIDENT'S RESPONSIBILITY. President Truman has not explained in detail the obligations this country assumed on casting aside isolationism; Secretary Byrnes, busy abroad much of the time since he entered the Cabinet on July 2, has not reorganized the State Department into the energetic and competent agency which the hour demands; and Congress, consistently ignoring requests of the Administration, is supporting nationalist policies incompatible with the major tenet of the United Nations Organization that world affairs are best settled co-

operatively. In its nationalist mood, Congress is following the trend of an articulate segment of the public. Since official British and American committees began negotiating on September 11 for a financial and commercial agreement, opinion has been growing increasingly hostile to the proposal that this country make a large Treasury loan to Britain. Letters received by the State Department oppose the loan two to one. At the same time Secretary of the Treasury Vinson, a member of the U.S. negotiating committee, has urged privately that the loan be limited to \$2,500,000,000, instead of the \$5,000,000,000 Britain seeks, on the ground that Congress will accept only the lesser figure.

The House Appropriations Committee has refused Assistant Secretary of State William Benton's request for deficiency funds to finance an Interim International Information Service, as successor to the overseas informational activities of the Office of War Information. Stressing the regional-exclusive instead of the universal-cooperative approach to world affairs, a sub-committee of the House Naval Affairs Committee recommended on August 6 that the United States keep the Pacific islands taken from Japan during the war. On October 1 Chairman Connally of the Senate Foreign Relations Committee urged in Chicago that this country retain the secret of the atomic bomb.

These Congressional tendencies have produced a crisis for the makers of American foreign policy. The Administration remains formally committed to United Nations cooperation. But, in fact, the idea of cooperation on the highest political level has suffered despite the sincere interest in cooperation in specific matters, as exemplified by the United Nations Food and Agriculture Conference which opened in Quebec on October 16 and the United Nations Conference on Education, Science and Culture which convened in London this week. President Roosevelt's experience in formulating a wartime foreign policy made it clear that strong Presidential leadership is essential if the Administration is even to approach the goal it sets for the United States in world affairs. The problem confronting President Truman and Secretary Byrnes is whether they should seek to convert public opinion to firm support of the UNO, or adjust policy to suit the nationalist tendencies of Congress and some sections of the population.

BLAIR BOLLES